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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 ISLAND INTELLECTUAL PROPERTY
4 LLC, et al.,

5 Plaintiffs,

6 v.

09-CV-2675 (KBF)

7 PROMONTORY INTERFINANCIAL
8 NETWORK, LLC, et al.,

9 Defendants.

Telephone Conference

10 New York, N.Y.
11 January 5, 2012
12 1:15 p.m.

13 Before:

14 HON. KATHERINE B. FORREST,

15 District Judge

16 APPEARANCES

17 AMSTER, ROTHSTEIN & EBENSTEIN LLC

18 Attorneys for Plaintiffs

19 BY: CHARLES R. MACEDO, ESQ.

20 ANTHONY F. LO CICERO, ESQ.

21 BENJAMIN CHARKOW, ESQ.

22 SIDLEY AUSTIN LLP

23 Attorneys for Defendants

24 BY: EDWARD G. POPLAWSKI, ESQ.

25 OLIVIA M. KIM, ESQ.

JEFFREY A. FINN, ESQ.

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1 (In chambers)

2 THE COURT: I now am part of this patent pilot program
3 that the Southern District has started and, you know, you folks
4 may or may not have any additional actions, but I've now got my
5 own individual practice rules on patent cases. And so
6 hopefully there will be a way of proceeding that will be
7 consistent that we'll adopt here.

8 MR. MACEDO: Your Honor, I will let you know that we
9 did not use the typical patent rules in this case before Judge
10 Marrero and so it started off on that path, and then it got
11 derailed into a different path.

12 THE COURT: Yeah, okay.

13 MR. MACEDO: A little different. The other thing --

14 THE COURT: Counsel, let me just announce that we now
15 have a court reporter present, and I am sorry to ask you to do
16 this again, but could you just announce your appearances again.
17 And now that we have a court reporter, since the record won't
18 reflect who's speaking, I'd ask you to introduce yourself as
19 you speak.

20 MR. MACEDO: Certainly, your Honor. This is Charles
21 Macedo, M-A-C-E-D-O. I'm a partner with Amster, Rothstein &
22 Ebenstein LLC. We are counsel for the plaintiffs. I have with
23 me my partner Anthony Lo Cicero and our colleague Ben Charkow.

24 MR. POPLAWSKI: And good afternoon, your Honor. This
25 is Ed Poplawski here with Sidley Austin. Also with me are

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1 Olivia Kim and Jeff Finn, and we are counsel for defendants.

2 THE COURT: Okay. Thank you. And as counsel knows,
3 we had started prior to the arrival of the court reporter and I
4 had just discussed the trial date and indicated to counsel that
5 after conferring with Judge Folsom, who has the other action
6 that Mr. Poplawski is involved in, and his colleagues, as well
7 as Judge Marrero and some folks around here, we are going to
8 keep the February 27th trial date in this matter and we will
9 proceed today to set some interim dates.

10 I'd also asked for a chart of claims that remain for
11 the patents that are still at issue and the types of
12 infringement that relate to those claims and patents, and
13 Mr. Macedo has indicated that he will be making a submission on
14 that and plans to simplify in fact further somewhat the
15 plaintiff's claims, and so we'll be getting a submission.

16 And I guess the infringement contentions were not --
17 they were part of the summary judgment papers, but I think,
18 Mr. Macedo, the way it sounds, I won't need a separate
19 submission on the infringement contentions once I get your
20 chart.

21 MR. MACEDO: I think to the extent you want to know
22 what we're accusing, the charts will do it. To the extent you
23 want to understand the evidence that we're relying on, that's
24 what the infringement contentions are. So I'm happy to do
25 whatever your Honor prefers.

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1 THE COURT: Well, once we have the chart, I can then
2 go to summary judgment motions and look that up; right? Or you
3 could put it all together if you'd like, but it sounded a
4 moment ago as if you've already got all that material embodied
5 within the summary judgment papers that you previously
6 submitted.

7 MR. MACEDO: We do, but because it contains
8 defendant's confidential information, it was filed under seal.

9 THE COURT: Okay. Well, that may be one of the
10 reasons why it's not sort of popping up on the docket in an
11 obvious way. Well, if it's easy for you to sort of cut and
12 paste and put that stuff in, that would be terrific. What I'm
13 looking for is a way of cutting through this. It sounds like
14 you've got a way of doing that, so I'd appreciate any help you
15 can give.

16 MR. MACEDO: I think what we can do, your Honor, which
17 will be a little less than the infringement contention, but
18 what we can do is we can give you a copy of our infringement --
19 our infringement expert report without all the attachments and
20 that if you want, we can also give you defendant's
21 noninfringement expert report.

22 THE COURT: Okay. Well, why don't you also,
23 Mr. Macedo -- and let me just remind you to state your name as
24 you speak.

25 MR. MACEDO: I'm sorry. I apologize.

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1 THE COURT: That's okay. I've now stated it. Why
2 don't you also make sure that any submission you make to me,
3 you have conferred with Mr. Poplawski in advance so that I get
4 something where we're not going to have an exchange of letters
5 as to whether or not it's complete or incomplete or changing
6 something somehow.

7 MR. MACEDO: In fact, your Honor, what I think might
8 be helpful across the board is if we prepare a joint submission
9 with defendants. In the submission we'll identify the
10 affirmative claims that we're advancing and they can identify
11 the affirmative defenses that they're advancing at trial, so
12 that way you have it all summarized in one place.

13 THE COURT: Terrific. Okay. And based upon that
14 reduced number of patents and claims, it would be useful also,
15 Mr. Macedo, if you could give an estimate, and you,
16 Mr. Poplawski, could respond, because you have some affirmative
17 claims as well, regarding the estimated length of trial. The
18 trial length I think was based upon an assumption that there
19 might be more at issue than there is going to be at issue, so
20 if you folks, once you've done some of this initial work, could
21 do that, that would be very helpful.

22 MR. MACEDO: And your Honor, we will include
23 plaintiff's estimate and defendant's can include their
24 estimate.

25 THE COURT: All right. Now let's move on to some of

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1 the pretrial order submissions that we'll need to get us ready
2 for the 27th. In my individual rules, there's some more
3 detail on this. They are actually going to be revised and come
4 out next week.

5 Oh, I'm actually told that we've gotten them up now.
6 So there will be some of the detail that I'm talking about now
7 there, but there will also be a transcript of this proceeding,
8 so you'll be able to reread it if you'd like.

9 Let me list the items. There are the typical items
10 you would expect, but let me list the items that we're going to
11 be talking about and the dates that I'm proposing, and then you
12 folks can tell me why they don't work if they don't.

13 First, I'd like to get a real witness list, with the
14 names of the witnesses, the order of the witnesses, the topics,
15 and the estimated length for the witnesses. And plaintiff
16 would provide that to defendant, defendant would then look at
17 it, and then it would come to the court. Defendants are going
18 to have to obviously add their piece in once they've seen
19 what's at issue.

20 Now when I say plaintiff, what I'm talking about is
21 where you bear the affirmative burden of proof on an issue, not
22 just sort of the nominal plaintiff on the caption. So a real
23 witness list, a real bona fide witness list without a lot of
24 fluff.

25 The second item -- and we'll talk about the dates in a

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1 minute -- is an exhibit list that will contain any objections
2 that either party has with sufficient detail about the
3 objections and the other side's responses to those objections
4 so that I can make a ruling on the evidence prior to trial, as
5 much as possible. Some things are going to be subject to
6 connection or there's going to be authenticity left for trial,
7 but for other things I'll be able to resolve some objections
8 pretrial. So the concept is to get an exhibit list where each
9 side that bears the burden of proof will provide the other side
10 with their proposed exhibits. They'll either be fine or there
11 will be an objection that will be lodged. If there's an
12 objection, you'll want to put in more than just one word, like
13 "hearsay." You'll want to put in why it's hearsay. The other
14 side will then have an opportunity to say, "Well, here's why
15 it's subject to an exception or why it's not hearsay," and then
16 I'll be able to make a ruling on that.

17 The same thing with respect to deposition designations
18 with one addition, which is to include the complete copies of
19 any depositions from which you are designating as opposed to
20 just the excerpts and to mark in some sort of marker that will
21 copy the portions that you're designating.

22 So for instance, Mr. Macedo, if you're going to
23 designate some deposition testimony, you would mark that, you
24 had it both on a piece of paper, page X, lines A to B, and then
25 Mr. Poplawski and his colleagues would respond. They may

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1 counterdesignate. They would also mark that on the deposition
2 transcript itself. And they may also object. And if they
3 object, they would state their reason, you would have an
4 opportunity to respond to that reason, and then that all would
5 come to me. And that is much better than just receiving just
6 excerpts, because I'll be able to tell the context and maybe
7 that may help me in making a ruling. I don't mind, I don't
8 care, it doesn't bother me one way or the other whether it's
9 the minuscrit or the 26 line. That's irrelevant. Whatever's
10 most convenient for you folks.

11 Motions *in limine* also obviously we'll need in
12 advance, including -- and I'd like to talk to you just for a
13 moment about whether there are any *Daubert* motions likely. If
14 there are documents which are going to be at issue and where
15 you'd normally make a motion *in limine*, if they're otherwise
16 dealt with in the context -- or deposition testimony -- in the
17 context of the other two submissions I just talked about, which
18 is an exhibit list that's got objections and responses and
19 deposition designations with objections and responses, you need
20 not make a separate motion *in limine*. That can be deemed a
21 motion *in limine* and we'll deal with it in that fashion. So
22 motions *in limine* would be anticipated to be something that is
23 really different from the exhibits, from the deposition
24 testimony that you'll already have dealt with.

25 Then we obviously would have voir dire and jury

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1 instructions.

2 Let me see. I'm just going to sort of go through some
3 of the dates, and these dates, to the court, are dates which
4 I'm pretty attached to. The dates as between the two of you,
5 I'm going to make some suggestions. What I want to avoid is a
6 situation where somebody expects to get something on a
7 particular day and doesn't get it, so I do want to have
8 something that is so ordered for the date, but you folks can
9 make suggestions as between the two of you to me as to what
10 dates would work best. But let me give you what I had
11 outlined, which was for the witness list, that it would come to
12 the court on January 19th, and that means that for the
13 parties bearing the affirmative burden of proof, they would
14 provide it to the other side on the 12th, and the other side
15 would then have an opportunity to add witnesses if they need to
16 add witnesses as a result of whatever they see on the witness
17 list. For the exhibit list, I have that coming to the court on
18 the 8th of February, so February 8th. I had preliminary
19 dates which are moveable, but we want to again get something
20 set down. January 25th and February 1st. So
21 January 25th for the party proposing the exhibit for which
22 they bear the affirmative burden of proof and then
23 February 1st for the response. I'm sorry. Did I say
24 January? January 25th, February 1st are the two dates,
25 coming to me on February 8th. Deposition designations is the

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1 same.

2 Motions *in limine*, if there are going to be *Daubert*
3 motions, it would be terrific to get those by the end of this
4 month, but we could push that by a couple of days if you needed
5 to. Voir dire on the 6th of February and jury instructions on
6 the 17th of February. For jury instructions, the voir dire
7 can come in separately. If you can get joint voir dire, all
8 the better, but I'm not wedded to that. But for the jury
9 instructions, the two dates I had for the party proposing and
10 then the party responding are February 3rd and
11 February 10th, coming to me on the 17th.

12 So why don't we talk a little bit generally about
13 those dates and whether or not they're going to work. The
14 reason for putting things behind the 27th is that I am
15 concerned that you folks are going to object to a lot of
16 documents and a lot of deposition designations and I'm going to
17 be making a lot of rulings on those kinds of things, and I
18 don't want to get jammed by having everything come in three
19 days before trial.

20 MR. MACEDO: Your Honor, your dates are acceptable to
21 plaintiff.

22 MR. POPLAWSKI: Your Honor, this is Ed Poplawski, and
23 these proposed dates are fine. May I ask a point of
24 clarification or two?

25 THE COURT: Absolutely.

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1 MR. POPLAWSKI: Does the court entertain jury
2 questionnaires?

3 THE COURT: I have been talking to people. You folks
4 know that I am one of the new folks on the bench. I have been
5 volunteering and have done already some trials, and so I've
6 been talking to a lot of people about the way in which they
7 conduct them, and I have not found them to be useful. If you
8 folks believe they would be useful, I have found already that I
9 am learning a great deal about opinions that I've held in my
10 short time and have changed. So we could consider it. But we
11 wouldn't want anything very long. The goal for the jury is to
12 get it picked as quickly as possible and as a result, I will
13 use the, I'll tell you, the box method as opposed to something
14 else because it will move -- we've done both -- much more
15 quickly. And so the biggest issue here is going to be the
16 length of trial, and so that's where we're going to get
17 obviously the most push-back from folks, but I would hope that
18 we can actually be at opening statements by sometime early
19 afternoon of the first day.

20 MR. POPLAWSKI: One other point, your Honor. This
21 relates to the trial itself. In some of the past cases that
22 I've had -- trials, that is -- that the court has permitted
23 transition statements, where you get a certain amount of time
24 then allocated to you, and it can range from anywhere from 10
25 to 15 minutes throughout the trial, and you use a certain

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1 amount of that, either -- after a witness is done testifying,
2 you make a short transitional statement to the jury. Does the
3 court have any thoughts in that regard?

4 THE COURT: Well, let me think about that. My only
5 concern is, understanding sort of a little bit in advance as to
6 what you're going to do, because it's not going to fit the
7 typical format of an opening or a closing, and so we would want
8 to make sure -- Mr. Poplawski, I know you're very experienced
9 and skilled at this. We would want to make sure that whatever
10 is said to the jury is within the bounds of what the jury
11 really should be hearing. That's my only concern.

12 MR. POPLAWSKI: Understood, your Honor, and I'm sure
13 we'll have an opportunity to dialogue about this in the future.

14 THE COURT: Well, why don't you confer. Mr. Macedo,
15 do you have an initial reaction to transition statements?

16 MR. MACEDO: I think I have to understand a little
17 better what Mr. Poplawski is talking about before I could say
18 yes or no on that. You know, it depends. Because obviously we
19 don't want to be in the position where the lawyer is becoming a
20 witness.

21 THE COURT: Well, and what we don't want to do, I
22 think, also in front of the jury -- but Mr. Poplawski, maybe
23 what you can do is, you know, write a short letter or something
24 to us where you explain what it is you're thinking of, or you
25 and Mr. Macedo may be better off conferring about it and seeing

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1 if you can come up with a joint position and then the court
2 will consider it. What we want to do is avoid having lawyer
3 argument as to what's been heard, you know, "What you have just
4 heard, ladies and gentlemen of the jury, is that claim X means
5 blah, blah, blah," or that, "there's been testimony that claim
6 X means blah, blah, blah and what that translates into in
7 layperson's language is blah, blah, blah." And, you know, the
8 problem, as you folks know -- you do these cases all the
9 time -- is that a lot of this is going to go over the jury's
10 head, and particularly given the subject matter of these
11 patents and the kind of jury you're likely to get. These are
12 not people who are going to have FDIC-insured accounts, let
13 alone multiple accounts where they need to have them swept on a
14 regular basis. I might be wrong, but these are going to be a
15 multitude of novel concepts to these folks.

16 But Mr. Poplawski, within the bounds of what obviously
17 would be deemed acceptable, if you want to confer with
18 Mr. Macedo, I would be absolutely willing to think about and
19 look at whatever you would like to suggest.

20 MR. POPLAWSKI: Thank you, your Honor.

21 MR. MACEDO: Your Honor, this is Mr. Macedo again.
22 Could I ask a few clarifying questions?

23 THE COURT: Sure.

24 MR. MACEDO: The first clarifying question is, what's
25 your view about deposition testimony of people that will be

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1 live witnesses?

2 THE COURT: Well, my view is that those people, that
3 should really be used only in terms of cross-examination. I
4 mean, I would hope that you would not take up juror time by
5 reading in -- I don't even know that you can. For some you
6 can. But I would assume that you just use it as
7 cross-examination.

8 MR. MACEDO: Okay. The second question is that,
9 obviously to prove infringement, it's going to depend upon use
10 of deposition testimony and documents we have from defendants
11 as to how their systems work, or -- or the live testimony of
12 defendant's witnesses. What's your view in terms of plaintiff
13 calling defendant's witnesses as part of our case in chief?

14 THE COURT: Well, I mean, if you want to call them as
15 a hostile witness, that's your choice. You can list them on
16 your witness list. You should list them on your witness list
17 in the order in which you're going to intend to call them. I
18 don't want to have folks be surprised. And you're going to
19 have to get Mr. X, Y, or Z here on time on the first day if you
20 plan on calling him or her as one of your, you know, first
21 witnesses. So, you know, calling a witness in a hostile
22 capacity is obviously fine under the rules.

23 MR. MACEDO: One of the things that I've been involved
24 with in the past when we've had trials I think before Judge
25 Preska, what she had us do was to keep the plaintiff's case

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1 open and just to call the witness once on the defendant's side
2 and allow the plaintiff to do their examination at that time.
3 I'm happy to do whatever the court prefers on that.

4 THE COURT: Well, calling the witness once makes a lot
5 of sense in terms of efficiency as well as I would assume
6 tactically in terms of how you want to get the story told. So
7 I mean, that makes sense to me. If somebody says, "Look, I
8 don't want to do my direct of this witness in the context of
9 almost quasicross-examination of my own witness," because you,
10 Mr. Macedo, have called one of Mr. Poplawski's witnesses in a
11 hostile capacity, then I would entertain the concept of having
12 that person called twice if they want to be and are amenable to
13 be bothering twice. I mean, that's really sort of an issue for
14 you folks to deal with the witness on. But I would hope that
15 we would try to not use the jury's time inefficiently. The
16 jury, as you know, will certainly be looking for ways in which
17 you annoy them. And if they find that you're recalling
18 witnesses and they think, "Why couldn't they have done this
19 before," and it's taken two extra days for them and they hoped
20 they could be back at work, or wherever they're going to go,
21 then that's going to not redound to your own benefit.

22 MR. MACEDO: So if the parties can work it out that
23 each witness is called only once and that the cases -- that the
24 respective cases are left open with respect to those witnesses,
25 you would not object to that as the trial --

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1 THE COURT: Well, let me, I think, put it a little bit
2 differently, which is for the party bearing the burden of
3 proof, let's just assume for just ease of reference here,
4 Mr. Macedo, that obviously, you know, you'll start off, if you
5 got a witness from Mr. Poplawski where you intend to call that
6 witness hostile, you should do so, so that you would not --
7 what I want to make sure is that at the end of your case, your
8 case should rest.

9 MR. MACEDO: Okay.

10 THE COURT: It really becomes an issue for
11 Mr. Poplawski in terms of whether or not he wants to do his
12 direct examination in the context of your case.

13 MR. MACEDO: Okay. That's very helpful, your Honor.

14 Now just to clarify another point going to the
15 affirmative burden, the way patent law works is, as plaintiffs,
16 it's our burden to prove infringement and damages, and as
17 defendants, it's their burden to prove invalidity.

18 THE COURT: Which is why I've been talking about who
19 bears the burden of proof on a particular issue, for precisely
20 that reason.

21 MR. MACEDO: Right. So from what I understand from
22 what you've described, and I just want clarified, we would come
23 forward with our case on infringement and damages and then
24 close our case when we're done with it, and then defendant will
25 come forward with their noninfringement and invalidity case,

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1 and then we would present a rebuttal case with respect to the
2 validity issues.

3 THE COURT: Well, that would be the way I would think
4 it would typically work.

5 Mr. Poplawski, do you have a different vision?

6 MR. POPLAWSKI: Your Honor, that presents an
7 interesting question. Mr. Macedo certainly set forth the
8 traditional way of doing that. We do have counterclaims for
9 declaratory relief, and some courts in the past have allowed a
10 kind of a surrebuttal for the defendants as to validity. But
11 why don't I confer with Mr. Macedo about this. I'm inclined to
12 keep it with the traditional way, but I'd like to confer.

13 THE COURT: Okay. Why don't you folks confer about
14 that as well and let me know where you come out. That will
15 obviously show up -- well, no, it probably won't. If you're
16 going to have rebuttal, it won't show up on your witness list
17 necessarily because you won't know what's going to happen until
18 you see it. All right. Well, let me know what's going to
19 happen.

20 MR. MACEDO: Do you want us to include anticipated
21 rebuttal witnesses?

22 THE COURT: If you know of them now, yes, and if you
23 can tell based upon who they're calling who you intend to call,
24 then, yes.

25 MR. MACEDO: Yeah. I mean, to give you a little

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1 background on the patent law, when it comes to the invalidity
2 case, we will be recalling our expert who does the infringement
3 to do the validity response. So we'll know that he'll be in
4 the rebuttal case, for example.

5 THE COURT: Yes. Now speaking of experts, let's talk
6 about *Daubert*.

7 MR. MACEDO: Okay.

8 THE COURT: Do either of you anticipate at this time
9 making any *Daubert* motions?

10 MR. POPLAWSKI: Your Honor, defendants do.

11 THE COURT: Okay. Mr. Macedo, do you?

12 MR. MACEDO: I'm not positive yet whether we plan to
13 or not.

14 THE COURT: Okay. Well, and that's why I set an
15 earlier date for those, as you may have noticed when I went
16 through it, and these dates, by the way, not only will there be
17 a transcript but there will be an order that will set these
18 forth. But the decisions on those, depending upon the nature
19 of the testimony, can be somewhat more involved and so that's
20 why January 30th was the date for that.

21 MR. POPLAWSKI: Your Honor, this is Ed Poplawski. A
22 point of additional clarification. I anticipate that any
23 *Daubert* motions that we do file will be combined *Daubert* and
24 motions *in limine* as relates to the expert in question.

25 THE COURT: Yes. I would expect so.

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1 MR. MACEDO: Your Honor, it is possible that depending
2 upon what motion they intend to make, what we would likely do
3 is a cross-motion with respect to the corresponding type of
4 testimony that their expert is offering, based on that motion.

5 THE COURT: Well, what we will need to do is to set up
6 a rational briefing schedule, because it's not going to be able
7 to proceed with a normal time frames, obviously. And so if
8 you're planning on cross-moving, I mean, you're not going to
9 cross-move on the same expert. You mean, "If they go after our
10 expert, we're going to go after theirs"?

11 MR. MACEDO: Yeah. If they're saying our technical
12 expert isn't qualified for reasons X, Y, and Z and those
13 reasons would equally apply to their technical expert, we would
14 say that -- we would want the ability to file a cross-motion
15 based upon the same grounds.

16 THE COURT: Okay. Well, let's make sure that we have
17 a little bit of clarity on this, which is that if you believe
18 today, or as you investigate this between now and
19 January 30th, that you have got a reasonable basis or you've
20 got a legal basis to make a *Daubert* motion with respect to a
21 particular expert witness, you will do so affirmatively, and
22 what you're suggesting is that you would essentially oppose a
23 motion and say, "We think that that methodology is perfectly
24 appropriate but if you find it's inappropriate here, then you
25 would have to find that their witness engaged in the same

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1 methodology and therefore theirs should be excluded as well,"
2 that would be the one time when that might work.

3 MR. MACEDO: Perhaps if the defendants can share with
4 us what their intended *Daubert* --

5 THE COURT: I'm not going to ask Mr. Poplawski to do
6 that right now. He can if he wants to with you separately.
7 But I think what I will do is we will include in our order a
8 briefing schedule that will make a provision for potential
9 cross-motion, but I would encourage you that if you think
10 you've got a motion that you want to bring, that you bring it,
11 you know, without waiting for the cross-motion opportunity.

12 MR. MACEDO: Of course, your Honor. We'll essentially
13 wait --

14 MR. POPLAWSKI: I would submit that the dates that the
15 court set is fish or cut bait time. If you have a motion *in*
16 *limine* or a *Daubert* motion to make, you should make it. And
17 then both parties can confer among themselves as to whether
18 they want to modify or drop their motions afterwards, but to
19 allow cross-motion practice as Mr. Macedo is contemplating I
20 think is prejudicial to the defendant.

21 THE COURT: Well, you know, the issue -- and I don't
22 disagree with you in some respects, Mr. Poplawski. The issue,
23 I think, that I'm at least thinking about right now is, if it
24 were the case that there was a methodology that was used by
25 both experts, by two experts, one for each side, first of all,

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1 I would think that it would be tactically not a good choice to
2 make a motion against the other side's expert if they use that
3 methodology as failing under *Daubert* if you know your own
4 expert has used that methodology, so it's sort of hard to
5 imagine. But let's imagine that that tactical decision is made
6 and you move against the methodology of Mr. Macedo's witness.
7 Your person has used exactly the same methodology and so they
8 meet on all fours. There is a point that if one fails, they
9 should both fail, and the failure to make a motion in advance
10 shouldn't preclude that. That might be something which the
11 court could deal with *sua sponte*. Let me think about it, and
12 it will either show up on the briefing schedule as an
13 opportunity for cross-motions or it won't, which is the fish or
14 cut bait version, Mr. Poplawski, that you have mentioned.

15 MR. POPLAWSKI: Thank you, your Honor.

16 MR. MACEDO: Thank you, your Honor.

17 THE COURT: All right.

18 MR. MACEDO: Your Honor, do you need any requests or
19 suggestions as to number of jurors from counsel?

20 THE COURT: Well, you know, what I had thought we
21 would do was go with 14. We may end up going with even an
22 extra juror because of the length of the trial. I'd like to
23 see how long you think this trial is going to be. The problem
24 is that you've got, you know, obviously the two factors that
25 are most difficult working against you. You've got a patent

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1 trial and you've got a long patent trial, and those are both
2 unsavory things for the juror pool here in Manhattan. Have you
3 folks had experience where you've found a magic number?

4 MR. MACEDO: Well, I'm just thinking of Judge
5 Marrero's order by comparison, his individual practice. He was
6 suggesting that you could have as few as six jurors deliberate,
7 with a total of eight on the panel.

8 THE COURT: No. I think we're going to certainly go
9 with twelve as our grouping, as our initial grouping, with some
10 additional.

11 MR. MACEDO: And does it require unanimity or
12 majority?

13 THE COURT: No, it will require unanimity.

14 MR. MACEDO: Okay.

15 MR. POPLAWSKI: Your Honor, while we're on that topic,
16 I suppose I should ask, is it contemplated that the --

17 THE COURT: I'm sorry. You cut out for one second.

18 MR. POPLAWSKI: Are you going to have -- if a juror is
19 in the box, does that juror get to be involved in deliberation?

20 THE COURT: If the juror is in the box?

21 MR. POPLAWSKI: Yes. If you've got 12 jurors, are
22 they all going to be involved in the deliberations?

23 THE COURT: Yes.

24 MR. POPLAWSKI: They'll all make it through trial.

25 THE COURT: Yes.

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1 MR. MACEDO: Your Honor, one date you haven't given us
2 is a date of a final pretrial conference in advance of the
3 trial.

4 THE COURT: Yes, I've got that date. I had my deputy
5 hand me a date.

6 February 21st at 4:30. Now you will be receiving in
7 advance various rulings on various things, depending upon what
8 you give me, and I don't think at this point that we'll have
9 oral argument on many of these issues -- for instance, the
10 *Daubert* or the evidentiary objections -- unless we need it. If
11 it turns out that there's a particular issue that, you know, I
12 believe there needs to be oral argument on, then we'll have it.
13 But otherwise, you'll start getting some rulings.

14 MR. MACEDO: I'm sorry, your Honor. What time did you
15 say on February 21st?

16 THE COURT: 4:30.

17 MR. MACEDO: 4:30?

18 THE COURT: Yeah. And all of these dates and that
19 time will all be reflected in an order that will pop up on ECF.

20 MR. MACEDO: Your Honor, there is one thing that Judge
21 Marrero did leave open, docket entry 221, Special Master
22 Martens' report and recommendation with respect to the last
23 summary judgment motion that defendants filed, and it hasn't
24 yet been adopted because the time hasn't expired for defendants
25 to put in objections on that one, so I just wanted to let your

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1 Honor be aware that that is out there and that that order will
2 need to be ruled on.

3 THE COURT: Okay.

4 MR. POPLAWSKI: Your Honor, this is Ed Poplawski, and
5 we have apprised plaintiff's counsel we're going to be filing
6 our objections on January 9th.

7 THE COURT: All right. Well, then when those come in,
8 I'll, you know, take a look at your objections and we'll
9 proceed from there.

10 MR. MACEDO: Your Honor, with respect to the special
11 master's rulings in the past, the procedure that Judge Marrero
12 had instituted was for defendants to put in their objections
13 and only if he needed anything from plaintiffs to respond to
14 the objections where he might not otherwise adopt the order did
15 he ask us to submit a response.

16 THE COURT: You know, if you don't feel like you want
17 to respond, that's fine. If you feel like you want to respond
18 and you've got something to say, then you should let us know
19 immediately, because I may take action, and if you feel like
20 you haven't had an opportunity to be heard, then in terms of at
21 least paper submission, then you should let us know. But if
22 there's anything you want to say, then e-mail the clerk and all
23 parties.

24 MR. MACEDO: Well, I think that, based upon what
25 you're saying, we'll want an opportunity to respond to whatever

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1 objections they put in then.

2 THE COURT: Well, you know, for instance, let's assume
3 for the moment that Mr. Poplawski puts in objections that I
4 find to be quite persuasive and I don't feel like I need
5 anything from you because I have found them to be very
6 persuasive and I personally don't think I needed to hear from
7 you. You would be, I think, quite annoyed if I then don't
8 adopt something that was perhaps in your favor with the special
9 master and I end up reversing that.

10 MR. MACEDO: Absolutely, your Honor. What the intent
11 I think of the procedure Judge Marrero had implemented was that
12 he already has advised us previously that he had read the
13 report and recommendation and intended to adopt it but wanted
14 to give defendants the opportunity to preserve any objections
15 they had with respect to the report and recommendation and
16 therefore he allowed -- he actually directed the parties to
17 meet and confer and have defendants file as quickly as possible
18 any objections they had about -- to adopt the report and
19 recommendation, and to the extent that any of the objections
20 that defendant had actually rang a bell, then he would have
21 provided plaintiff an opportunity to respond to them.

22 THE COURT: Well, I don't know if it's a good thing or
23 a bad thing, but it is certainly the way it works. When a case
24 is transferred, I get to change some of the procedures. And I
25 have also read the special master's reports that have come

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1 down, and what I would suggest is, I do want to make sure that
2 if there are objections that are going to be made that
3 defendants will make them, and that if you've got anything you
4 want to say in response, that we have that also noted for the
5 record.

6 MR. MACEDO: Okay. Well, then we will definitely put
7 in responses, so we'll need to ask an appropriate timetable for
8 those.

9 THE COURT: All right. I don't know how extensive
10 they're going to be or what the nature of them is going to be,
11 but why don't you, immediately upon receiving them, confer with
12 Mr. Poplawski about a schedule.

13 MR. MACEDO: Okay, your Honor.

14 MR. POPLAWSKI: Your Honor, this is Ed Poplawski. I
15 know that the court's pressed for time. I'd like to just go
16 back to the trial commencement date for a moment, just to make
17 sure I understand everything correctly.

18 So as I understand it, the court conferred with Judge
19 Folsom, and both trial dates are going to hold at this time,
20 and there's going to be further conferring among the judges
21 themselves. One of the thoughts in mind is that we start the
22 February 27th trial in this case and then the thought is that
23 I could shuttle to Marshall, Texas for the opening statements
24 there and come back. I'd just like to point out that I know
25 that there's unintentionally going to be further developments

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1 here in both cases in terms of winnowing it down, etc., but
2 this is potentially an unworkable situation for me, as I need
3 to not only be present in two places at one time, but there's
4 also at least two team members that would need to be as well,
5 but I understand that the dates hold for now, and we're going
6 to do our best to proceed in that regard.

7 THE COURT: I hear you, Mr. Poplawski, and what I
8 would say -- and you have I think certainly correctly stated
9 the court's position -- is that because of the number of
10 lawyers who are involved, it is likely that there could be
11 coverage in both places on any particular date, and there's
12 lots of flights from New York to Texas all the time. So I do
13 understand that it puts you in a very difficult position, but
14 we believe that it is a workable situation at this point in
15 time.

16 MR. POPLAWSKI: Understood, your Honor. And just by
17 way of clarification then, there's basically three lawyers in
18 both cases that are the core team -- that's me, Mr. Finn, and
19 Ms. Kim. The other members of the team have knowledge about
20 certain other aspects, predominantly on the damages side, I
21 would say, so there is a need for at least three of us present
22 in each place. But I appreciate the court's position and we're
23 going to -- we're going to proceed.

24 THE COURT: Okay. Is there anything else that the
25 parties would like to raise or that I can assist with you at

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1 this time?

2 MR. MACEDO: Your Honor, there is one potential issue,
3 depending upon what defendants say and the issues that they
4 want to try. They raised the defense on inequitable conduct
5 which is -- we don't think that they've met their burden on it,
6 but putting that aside, if -- it's an issue that's generally
7 tried before the judge in a bench trial, not before a jury, and
8 inequity is something that the judge would decide, and to the
9 extent that they are pursuing that, we will likely have a
10 motion *in limine* as well as a motion to bifurcate on the issue,
11 and I just wanted to bring that to your Honor's attention.

12 THE COURT: Okay. I haven't seen anything in my
13 review of the materials that suggests that the defendants are
14 dropping that. Mr. Poplawski?

15 MR. POPLAWSKI: No, your Honor, we're not dropping it
16 at this time, and I think this is all part of the dialogue
17 that's going to go on between the parties on winnowing down the
18 case.

19 THE COURT: All right. Well, then I hear that you may
20 have a motion *in limine*, Mr. Macedo, and if you do, you do.

21 MR. MACEDO: Thank you, your Honor. I just wanted to
22 bring that to your attention so you're aware of the issue.

23 THE COURT: Okay. Thanks.

24 MR. MACEDO: But we have nothing further at this time
25 and we appreciate the court's assistance in this matter. Thank

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1 you.

2 THE COURT: All right. Well, then there will be a
3 transcript of this proceeding which you folks can get from the
4 clerk's office if you would like. The date and times of the
5 various items that we have talked about will be set forth in an
6 order, as I've said, that will show up on ECF.

7 MR. MACEDO: Thank you, your Honor.

8 THE COURT: All right. Thanks, everyone. Bye-bye.

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